

(b) if so, the details thereof?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN): (a) and (b). Amendments to the SEBI (Foreign Institutional Investors) Regulations 1995 have been announced by SEBI, as a follow up of policy announced by Government during the Budget Speech of 1996-97. These amendments provide, inter alia, for an increase in portfolio investment limit for individual FIIs from 5% to 10% of the paid up capital of a company. No change however has been made in the existing aggregate investment limit of 24% for all FIIs/NRIs/OCBs in any company.

Border Trade with Bangladesh

4585. SHRI SANAT KUMAR MANDAL: Will the Minister of COMMERCE be pleased to state:

(a) whether the Indo-Bangladesh trade logjam at Dawki continues;

(b) if so, the reasons therefor; and

(c) the measures taken or are being taken in consultation with the Bangladesh Government to revive border trade between the two countries, as envisaged under the famous Indira-Mujib Pact of March, 1972?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH): (a) No, Sir.

(b) Does not arise.

(c) Government have taken up the proposal for resumption of border trade with Bangladesh Government on several occasions. No progress has been made because of lack of a positive response.

System of Promotion

4586. DR. T. SUBBARAMI REDDY: Will the Minister of FINANCE be pleased to state:

(a) whether World Bank has advised India to abandon the system of promotion of civil servants according to the seniority and adopt the South Korean system of promoting Government Officials on the basis of merit;

(b) if so, whether any concrete suggestions in this regard have been received from the World Bank;

(c) if so, whether the Government have agreed to implement those suggestions; and

(d) if so, the details thereof?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) No, Sir.

(b) to (d). Do not arise.

Growth Rate of Industrial Production

4587. SHRI SONTOSH MOHAN DEV: Will the Minister of INDUSTRY be pleased to state:

(a) whether an analysis of Indian industrial production shows that annual average growth rate during 1991-92 to 1995-96 at Growth Production Centres was below the 8.4 per cent achieved during 1986-87 to 1990-91;

(b) if so, whether the figure is lower than the annual average growth rate of industrial production of 7.8 per cent;

(c) if so, the reasons therefor; and

(d) the steps taken by the Government to remedy the situation in this regard?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN): (a) and (b). The annual average growth rate of industrial production during 1986-87 to 1990-91 and during 1991-92 to 1995-96 were 8.4% and 6% respectively.

(c) and (d). The overall industrial growth during 1991-93 was constrained because the balance of payment crisis of 1991 necessitated an import squeeze and the tight monetary policy pursued to contain inflation affected both availability and cost of funds. Industrial production recorded a higher annual growth of 9.4% in 1994-95 and 12% in 1995-96. This increase in the rate is due to a number of factors such as cumulative effect of reform in the industrial and other sectors, continuing buoyancy in the growth of export and increased demand for industrial products due to increased incomes.

Rise in Credit Demand

4588. SHRI MADHAVRAO SCINDIA: Will the Minister of FINANCE be pleased to state:

(a) whether the Reserve Bank of India has recently cautioned the banking sector on rising credit demand and deregulation of interest rates in the context of limited availability of funds;

(b) if so, the details thereof; and

(c) the reaction of the banking sector thereto?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) to (c). Reserve Bank of India (RBI) has reported that at present banking system has adequate resources to meet all genuine demands for credit. Aggregate deposits for scheduled commercial banks have risen by Rs. 14,862.00 crore (3.4 per cent) so far during the current financial year (March 29, 1996 to August 2, 1996) as compared